

## Spenddown Changes-When Two Households Combine

KEESM 7330

### Combining Households

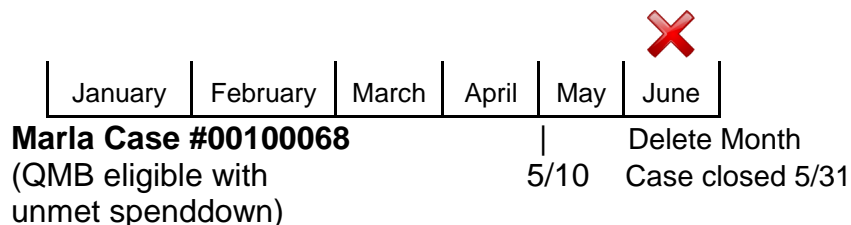
When two MS - IL consumers combine households (or one MS & one MA household combines), both base periods will be shortened to end the month of change. A new base period is established the month following the month of change allowing for timely and adequate notice to be given to each party.

#### Example

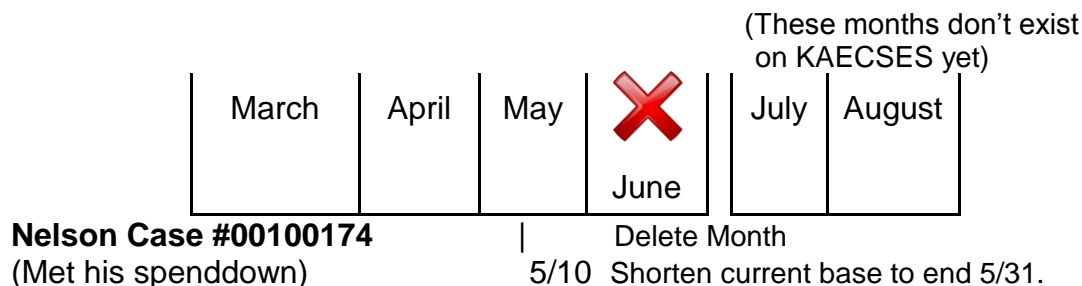
Marla Hooch, a disabled individual, has an open MS-IL case with a base period of January to June established. She has not met her spenddown, but is receiving QMB coverage. Nelson is elderly and has an open MS-IL case with a base period of March to August. Nelson has a lot of out of pocket medical expenses and met his spenddown right away in the month of March. The two decide to marry and report it to their EES worker on May 10<sup>th</sup> that they were wed May 1<sup>st</sup>.

May 10<sup>th</sup> the worker can give timely notice to shorten each base period to end the month of May. The couple makes the choice on who would like to be the case head (PI) for the combined case. They indicate that Nelson would be case head.

- Marla's IL base period is shortened to end May 31<sup>st</sup> and any expenses on **MEEX** are reviewed and adjusted, if applicable. Marla's case is closed May 31<sup>st</sup> because she will be added to another case (Nelson's) in June.



- Nelson's IL base period is shortened to end May 31<sup>st</sup> and any expenses on **MEEX** are reviewed and adjusted, if applicable.



- A new base period, including his wife, is established on Nelson's case number effective June. A determination is made on whether the couple is QMB or LMB eligible based on the total income of the medical unit.

|      |      |        |       |     |      |
|------|------|--------|-------|-----|------|
| June | July | August | Sept. | Oct | Nov. |
|------|------|--------|-------|-----|------|

**Nelson and Marla Case #00100174**  
(New IL base with unmet spenddown)

Set up a new base period 6/1

## Untimely Notified

What should I you do if they do not timely report the change? From the EES point of view, this can be confusing and difficult to implement. Paid benefit months exist on KAECSSES and the system won't allow you to delete them.


Even though a paid benefit month can be lengthened, do not include this month in the new base period. Due to the way medical expenses are applied to spenddowns, MMIS will only recognize the benefit plan of Medicaid for that paid month. Thus it will not apply any claims received in that month to the lengthened base period spenddown amount.

## Example

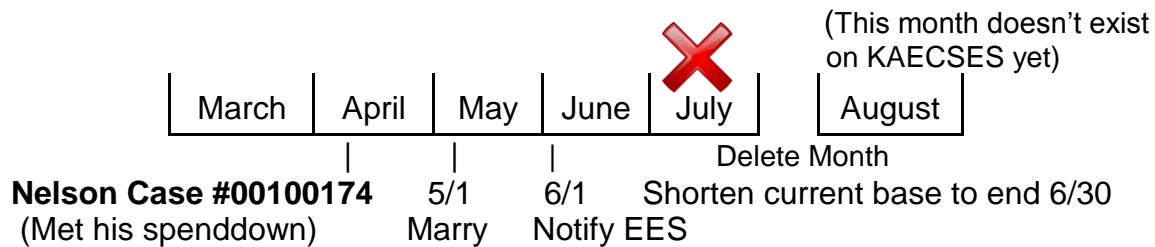
Look at the same example as before, but this time Marla and Nelson marry May 1<sup>st</sup> and do not report it to EES staff until June 1<sup>st</sup>.

June 1<sup>st</sup> the worker can give timely notice to shorten each base period to end the month of June. The couple makes the choice on who would like to be the case head (PI) for the combined case. They indicate that Nelson would be case head.

- Marla's IL base period is shortened to end June 30<sup>th</sup> and any expenses on **MEEX** are reviewed and adjusted, if applicable. Marla's case is closed June 30<sup>th</sup> because she will be added to another case (Nelson's) in July.

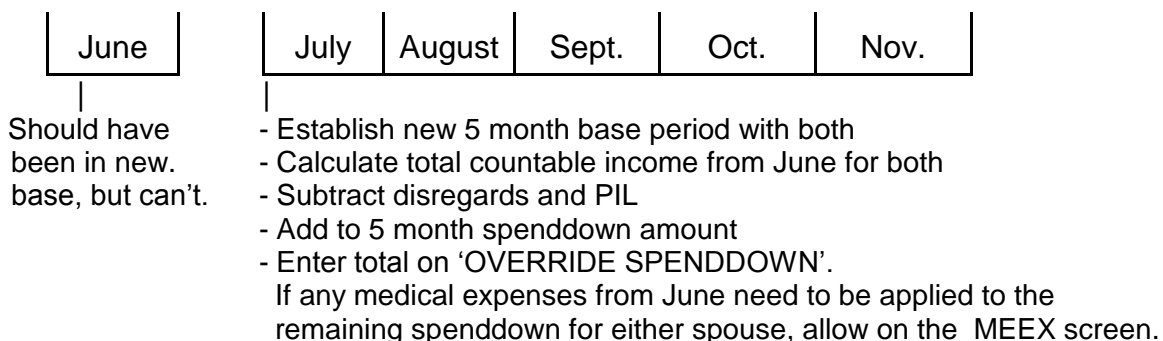
|                                     |          |       |       |       |            |  |
|-------------------------------------|----------|-------|-------|-------|------------|--|
| January                             | February | March | April | May   | June       |  July |
| <b>Marla Case #00100068</b>         |          |       |       | 5/1   | 6/1        | Delete Month   |
| (QMB eligible with unmet spenddown) |          |       |       | Marry | Notify EES | Case closed 6/30   |

- Nelson's IL base period is shortened to end June 30<sup>th</sup> and any expenses on **MEEX** are reviewed and adjusted, if applicable.



- A five-month base period, including his wife, is established effective July. A determination is made on whether the couple is QMB or LMB eligible based on the total income of the medical unit.
- The worker calculates on paper the total income of the couple in June, subtracts any disregards and the PIL, takes this amount and adds it to the five-month spenddown amount, enters the total on the 'OVERRIDE SPENDDOWN' field on **SPEN**. If any medical expenses are incurred by the couple for the month of June, they will have to be entered on the **MEEX** screen in order to be allowed.

**Nelson and Marla Case #00100174**  
(New IL base with unmet spenddown)



### A Few Notes About This Process:

- ✓ Cases in which spenddown amounts have been manually entered in the 'OVERRIDE SPENDDOWN' field on **SPEN** do not mass change correctly. Not all bases include months affected by mass change, but if you have had to manipulate a base period because of untimely notification, you should set an alert on **WOAL** to identify this case for manual processing with mass change.
- ✓ You counted June's income in the new five-month base period, so expenses from this month are allowable. June's expenses cannot be applied to the spenddown via the automated provider billing or beneficiary billing processes because the MMIS doesn't recognize this month as part of the new base period. Placing these expenses on the **MEEX** screen is the only way to allow them against the spenddown.